

# FISCAL NOTE

## SB 255 - HB 1554

April 12, 2005

**SUMMARY OF BILL:** Revises the requirements for the annual TennCare actuarial study performed by the State Comptroller in accordance with T.C.A. 71-5-188. Currently, the study includes an analysis of actual provider costs. The bill would require the use of this analysis in determining reasonable rates for providers and would also require the state to pay providers the reasonable rates found in the study.

### ESTIMATED FISCAL IMPACT:

**Other Fiscal Impact – To the extent that the actuarial study finds that the state should pay a higher rate to providers, for each one percent increase in the reimbursement rate for providers, there would be an increase in state expenditures exceeding \$3,500,000 and an increase in federal expenditures exceeding \$6,400,000.**

Assumptions:

- TennCare reimbursed providers in excess of \$1,000,000,000 in FY04.
- Any changes to the scope of the actuarial study could be absorbed utilizing existing resources in the Office of the Comptroller.

### CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director